



# Sources of Finance

A DIRECTORY FOR ARKANSAS BUSINESS

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## Introduction

In response to requests from around the State of Arkansas and the nation for information on sources of financial assistance and technical assistance for businesses enterprises, ADFA and the office of Lieutenant Governor Win Rockefeller present the *1999 Sources of Finance*.

This reference guide was compiled to create a one-of-a-kind resource that allows you to instantaneously locate organizations that support economic development in Arkansas.

This publication can be instantly downloaded off the internet from the Arkansas Development Finance Authority's home page at: [www.state.ar.us/afda](http://www.state.ar.us/afda).

**UALR Arkansas Small Business Development Center**

State Office

100 S. Main, Suite 401

Little Rock, AR 72201

(501) 324-9043 phone

(501) 324-9049 fax

Web Address: <http://www.ualr.edu/~sbdccdept/>

Fax-on-Demand: 324-9047 (Pulaski County) or 1-800-862-2040

**State Office Contacts:**

State Director: Janet M. Nye

Consulting: John Harrison, [jhharrison@ualr.edu](mailto:jhharrison@ualr.edu)

Information: Jane Hunt, [jvhunt@ualr.edu](mailto:jvhunt@ualr.edu)

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**Regional Office Contacts:**

**Fort Smith**

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1109 S. 16th Street

P. O. Box 2067

Fort Smith, AR 72902

(501) 785-1376 Phone

[rvvanzant@ualr.edu](mailto:rvvanzant@ualr.edu)

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Bob Penquite, Business Consultant

818 Highway 62-65-412 North

P. O. Box 190

Harrison, AR 72601

(501) 741-8009 Phone

[rdpenquite@ualr.edu](mailto:rdpenquite@ualr.edu)

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Richard Evans, Business Consultant

835 Central Avenue, Box 402D

Hot Springs, AR 71901

(501) 624-5448 Phone

[rxevans2@ualr.edu](mailto:rxevans2@ualr.edu)

**Magnolia**

Lairie Kincaid, Business Consultant

600 Bessie

P. O. Box 767

Magnolia, AR 71753

(870) 234-4030

[llkincaid@ualr.edu](mailto:llkincaid@ualr.edu)

**Stuttgart**

Larry Lefler, Business Consultant  
301 S. Grand, Suite 101  
P. O. Box 289  
Stuttgart, AR 72160  
(870) 673-8707  
[lelefler@ualr.edu](mailto:lelefler@ualr.edu)

**Pine Bluff**

Russell Barker, Business Consultant  
The Enterprise Center III  
400 Main, Suite 117  
Pine Bluff, AR 71601  
(870) 536-0654  
[rlbarker@ualr.edu](mailto:rlbarker@ualr.edu)

**West Memphis**

Ronny Brothers, Business Consultant  
Mid-South Community College  
2000 W. Broadway  
West Memphis, AR 72301-2067  
(870) 733-6767  
[rlbrothers@ualr.edu](mailto:rlbrothers@ualr.edu)

**ASBDC Subcenter Contacts:****Arkadelphia**

Jeff Doose, Center Director  
Henderson State University  
P. O. Box 7624  
Arkadelphia, AR 71923  
(870) 230-5224  
[dooseja@oaks.hsu.edu](mailto:dooseja@oaks.hsu.edu)

**Jonesboro**

Herb Lawrence, Center Director  
Arkansas State University  
P. O. Box 2650  
State University, AR 72467  
(501) 972-3517  
[hlawrenc@cherokee.astate.edu](mailto:hlawrenc@cherokee.astate.edu)

**Fayetteville**

University of Arkansas, Fayetteville  
Business Administration Building, Ste. 106  
Fayetteville, AR 72701  
(501) 575-5148

**The Arkansas Small Business Development Center (ASBDC)** works with small businesses to help them develop, expand, and maintain competitiveness in today's economy. The ASBDC is a public service unit of the University of Arkansas at Little Rock's College of Business Administration in partnership with the U.S. Small Business Administration. The ASBDC provides statewide coverage via 11 offices in the state providing consulting, training, and information services to existing and potential business owners.

**CONSULTING:**

ASBDC consultants provide one-to-one consulting. They can advise you about:

- ☐ business growth and expansion
- ☐ business plans
- ☐ new business start-ups
- ☐ buying/selling businesses
- ☐ preparing loan requests
- ☐ financial analysis

To use these services, call your nearest ASBDC Office.

**TRAINING:**

Busy entrepreneurs appreciate high quality seminars at convenient times and locations. The ASBDC delivers all of this and more. Topics include:

- ☐ marketing
- ☐ business planning
- ☐ government contracting
- ☐ financing
- ☐ starting a business
- ☐ managing cash flow
- ☐ procurement
- ☐ using the Internet

To receive a copy of our training calendar, call 501-324-9043 or 1-800-862-2040 or visit our web site.

**INFORMATION:**

A great way to begin building a business and continue its growth is to take advantage of the ASBDC Information Center. This non-lending library, located at 100 South Main in Little Rock, has more than 3,000 books and periodicals as well as videotapes that are available for private viewing on-site.

For patrons who live outside of central Arkansas, access to the Information Center is as easy as dialing 1-800-862-2040. These individuals can use the FAX-ON-DEMAND service or talk to a staff member via this toll-free number.

## **Directory of Directories**

### **Additional Sources of Information and Assistance for Businesses in Arkansas**

#### **1999 Minority/Small Business Directory**

This directory is published annually by the Minority Business Development Division of the Arkansas Department of Economic Development. It contains an alphabetical, geographical, and product/service listing of the minority owned businesses in Arkansas.

To receive a copy, contact the AEDC, One State Capitol Mall, Little Rock, AR 72201 (501) 682-1121.

#### **Arkansas Minority Business Directory**

This 1999 directory contains a listing of minority owned businesses by the products or services that they provide. The Arkansas Regional Minority Purchasing Council provides this information annually on diskette to members only.

To view a copy, contact the Arkansas Small Business Development Center, 100 South Main Street, Suite 401, Little Rock, AR 72201 (501) 324-9043.

#### **Development Information Network of Arkansas**

DINA is a compendium of economic development resources throughout the state of Arkansas. It includes information about the state of Arkansas, its cities, utilities, universities, and nonprofit organizations involved in the economic development efforts for the state. Wherever possible, information about the state is brought to you directly via the World Wide Web. Information may also be obtained by corresponding with the representative of each organization listed.

To access the information, go to <http://www.aiea.ualr.edu/dina/default.html> on the Internet.

To contact DINA please send e-mail to [dina@ualr.edu](mailto:dina@ualr.edu).

#### **Minority and Women Business Owners Guide**

This directory is published by the Greater Little Rock Chamber of Commerce. This yearly publication contains resources for, profiles of, and lists of minority businesses in Arkansas.

To receive a copy, contact the Greater Little Rock Chamber of Commerce, 101 South Spring Street, Suite 200, Little Rock, AR 72201 (501) 374-4871

#### **Taking Care of Business in Arkansas – 1995; A Directory of Guidelines and Resources**

This directory was revised by the UALR Institute for Economic Advancement, University of Arkansas at Little Rock for the Arkansas Economic Development Commission. It is a comprehensive guide to what you need to know to start a business in Arkansas, including licenses and permits, environmental regulations, inspections, labor relations, tax payments, transportation regulations and non-regulatory agencies.

To receive a copy, contact the UALR Institute for Economic Advancement, University of Arkansas at Little Rock, 2801 South University, Little Rock, AR 72205 (501) 569-8542.

#### **Catalog of Resources for Community Development**

The Community Assistance Program published this catalog. It provides a comprehensive listing of resources to support communities in Arkansas. The catalog includes these categories: arts, humanities and historic reservation; economic development; flood protection; health and human services; housing; parks, recreation and tourism; public safety; transportation; waste water; and solid waste. A listing of agency phone numbers, agency district boundaries and Arkansas foundations is also helpful.

To view this catalog, contact the Arkansas Small Business Development Center at (501) 324-9043.

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## **Sources of Finance for Business Enterprises in Arkansas**

### **Arkansas Capital Corporation**

225 South Pulaski Street  
**Little Rock**, Arkansas 72201  
(501) 374-9247  
1-800-216-7237  
Fax (501) 374-9425  
<http://www.arcapital.com>  
Contact: Jerry Adams

Arkansas Capital Corporation  
1712 Sunset, Suite F  
**Springdale**, Arkansas 72762  
(501) 750-3225  
1-800-705-9295  
Fax (501) 750-3307  
Contact: Philip Knight

Arkansas Capital Corporation  
P.O. Box 1403  
**Jonesboro**, Arkansas 72403  
(870) 923-8002  
1-888-726-9229  
Fax (870) 932-0135  
Contact: Mike Taylor

Arkansas Capital Corporation  
The Chamber Building  
119 W. 3<sup>rd</sup> Street  
**Fordyce**, AR 71742  
(870) 352-2853  
1-888-870-8685  
Fax (870) 352-5126  
Contact: Bryn Bagwell

Arkansas Capital Corporation is a 42-year-old private, non-profit corporation organized to provide intermediate and long-term, fixed rate financing for projects that may not qualify for 100% funding by conventional banks. ACC assists in structuring the financing package best suited to the small business and frequently partners with local banks and/or other state and federal loan programs.

### **SERVICES**

- ☐ Business loans
- ☐ Loan structuring
- ☐ SBA & USDA loan packaging for projects ACC is involved in at no cost to the borrower or participating lender

### **SPECIFICS**

- ☐ Projects must increase or maintain employment
- ☐ Funding of the entire financing package is not available from conventional sources
- ☐ Typically no more than 25% of the loan is used to pay off existing debt
- ☐ First lien position on collateral is required
- ☐ Equity contribution by the borrower is required

## Arkansas Certified Development Corporation

225 South Pulaski Street  
Little Rock, Arkansas 72201  
(501) 374-9247  
1-800-216-7237  
Fax (501) 374-9425  
<http://www.arcapital.com>  
Contact: Jerry Adams

Same contact information for the multiple offices listed with Arkansas Capital Corporation.

Arkansas Certified Development Corporation (ACDC) was formed to help communities throughout Arkansas by stimulating the growth and expansion of small businesses. ACDC provides long-term, fixed rate financing for fixed assets via a U.S. Small Business Administration loan program – the 504 Loan Program. Fifty percent of the financing for the project is provided by a bank or other private lender. Up to 40% of the financing is provided by SBA guaranteed debentures and the borrower's equity can be as little as 10% for an existing business expansion.

### SERVICES

- ☐ SBA loan packaging at no cost to the borrower or participating lender
- ☐ ACDC will assist in identifying a participating private lender

### SPECIFICS

- ☐ Start-ups and existing businesses are eligible
- ☐ Only fixed assets are eligible for financing
- ☐ SBA portion of project has a 20 year term for real estate and 10 year term for machinery and equipment
- ☐ Bank portion of project has at least a 10 year term for real estate and a 7 year term for machinery and equipment.
- ☐ SBA loan is a below market, fixed rate of interest for the term of the loan
- ☐ The private lender has a first mortgage/first lien on all assets in the project. SBA/ACDC has a second mortgage/2nd lien position.

## Arkansas Department of Human Services

Division of Child Care & Early Education  
101 East Capitol, Suite 106  
Little Rock, Arkansas 72201  
(501) 682-4891  
1-800-445-3316  
Fax (501) 682-4897  
Contact: Kathy Stegall, Program Support Administrator  
[Kathy.Stegall@mail.state.ar.us](mailto:Kathy.Stegall@mail.state.ar.us)

The Division of Child Care may assist child care operations with guarantee loans, enhancement/improvement grants and training opportunities.

### Arkansas Child Care Facilities Guarantee Loan Fund

The Arkansas Child Care Facilities Guarantee Loan Fund was created in 1989 to support the development and expansion of child care facilities in Arkansas.

### SERVICES

This fund was created to guarantee loans to support non-profit facilities, family day care homes and child care centers. The fund is administered to support these priorities:

- ☐ Areas of the state which need additional services or have none available, particularly rural areas.
- ☐ Areas which need child care to promote economic development and create a stable workforce for potential industry or industrial expansion.
- ☐ Facilities that will offer infant and toddler care, a service in great demand and short supply in Arkansas.
- ☐ Minority participation

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## SPECIFICS

- ☐ Qualified expenditures include purchase of equipment, short term real estate purchases and working capital.
- ☐ Applicant must be unable to obtain the loan without the guarantee. The fund is designed to act as a "credit bridge" for qualified applicants.
- ☐ The fund will guarantee 80 percent of the outstanding principal balance on a loan. The maximum guarantee liability on any one loan is \$25,000.
- ☐ The initial term of the guarantee is 36 months with an option to renew for an extended period at that point.
- ☐ The rates and terms of the loan are negotiable between the lending institution and the borrower.
- ☐ The lending institution will be required to submit an annual report to the commission on the status of the loan.

## Arkansas Development Finance Authority

100 Main St., Suite 200  
P.O. Box 8023  
Little Rock, Arkansas 72203-8023  
(501) 682-5900  
Fax (501) 682-5939  
Contact: Gene Eagle  
E-mail: [geagle@adfa.state.ar.us](mailto:geagle@adfa.state.ar.us)

Web Site Address: <http://www.state.ar.us/adfa>

The Arkansas Development Finance Authority (ADFA) was created by Act 1062 of 1985 to expand the role of the Arkansas Housing Development Agency and the Arkansas Agricultural Development Agency. ADFA imports capital for housing, industry, agri-business, tourism and state and local government projects through the issuance of tax exempt and taxable bonds. ADFA also administers several programs that are funded by federal grants.

**Industrial Development Bond Guaranty Program** – Smaller manufacturing companies who have traditionally been excluded from bond financing by high issuance costs and servicing fees are brought together with other industrial borrowers under umbrella bond issues. Costs of bond issuance are spread among a number of borrowers to make tax-free, long-term financing more affordable. Industrial development financing programs are generally limited to manufacturing industries; however, ADFA has the ability to fund tourism related businesses and some non-manufacturing industries. ADFA can provide interim financing for approved projects that will be included in a pool for an umbrella bond issue.

**Export Finance (Insured Export Program)** – This program was designed to assist small service companies, manufacturers and agri-businesses in obtaining Export Credit Insurance to cover unsecured sales to approved foreign buyers. ADFA also can help secure "pre-shipment" working capital needs so exporters can purchase raw material and pay labor to complete international orders.

**Speculative Building Loan Program** – Provides a source of financing to local Industrial Development Corporations that are interested in building a speculative industrial building in their community. ADFA will make a low interest rate loan (historically between 4 percent and 6 percent) to cover 80 percent of the cost of the building, not to exceed \$1,000,000. The balance of the loan must come from contributed equity or other lending sources.

**Capital Access Program** – Makes funds available to borrowers who for various reasons might have difficulty in obtaining conventional bank loans. The method for making these loans more attractive to a lender is a loan loss reserve fund, which can be drawn upon by the lender in the event of a default on an enrolled loan. The fund is created from fees paid up front by the lender, enrolled borrowers and ADFA.

**Waste Water System Revolving Loan Program** – ADFA collaborates with the Arkansas Department of Environmental Quality (ADEQ) to provide low interest rate financing to Arkansas municipalities for improvements to waste water treatment facilities. The program is funded through federal grants from EPA, with state matching equal to 20 percent of the federal grants and bond proceeds. The loans have a maximum term of up to 23 years and bear interest at 4 percent or less. ADEQ manages the program; ADFA serves as financial advisor and issuer of leveraging bonds.

**Tourism Development Loan Program** – ADFA has set aside \$2,000,000 for tourism development loans for new business start up or expansion in the tourism industry. Loans are made with a 50/50 match with local financial institutions. The local financial institutions will service all loans. While there is no maximum or minimum project size, the maximum state loan amount is \$250,000 and minimum state loan amount is \$1,000.

**Beginning Farmer Loan Program** – Designed to assist beginning farmers acquire agricultural property (land, buildings, equipment and breeding stock) at lower interest rates by enabling lenders to receive tax-exempt interest for direct loans or contract sales made to beginning farmers.

**Farm Loan Mediation Program** – ADFA manages a federally sponsored Farmer/Creditor Mediation Service to provide a forum for farmers and lenders to resolve their loan debt service payment problems.

**Single Family Housing (HomeToOwn Loan Program)** – ADFA provides tax-exempt mortgage revenue bond financing for low-to-moderate income first-time homebuyers. A first-time homebuyer is defined as a person who has not held an ownership interest in a residence within three years. The first-time homebuyer rule is waived for persons buying homes in targeted counties. ADFA does not originate loans to homebuyers; rather, loans are originated by participating banks throughout the state. Various Internal Revenue Service restrictions such as purchase price limits and family income limits apply.

**Multi-Family Housing** – ADFA administers the federal **Low Income Housing Tax Credit Program** for the state. Owners and developers of multi-family housing that is rented to families whose income is not greater than 60 percent of area median income can obtain credits to offset federal income tax liability.

**Home Investment Partnership Program** – ADFA administers the federally funded HOME program for the state of Arkansas. Available funds are allocated to governmental entities, not-for-profits and private developers. HOME funds can be used for rental and homeowner rehabilitation, new construction, down payment and closing cost assistance to first-time homebuyers and tenant based rental assistance for low and very low-income families. Application deadlines are published annually and mandatory pre-applications workshops are held for interested parties.

**The Disadvantaged Business Enterprise Program** -- provides a partial guarantee (insurance) for a bank loan in order to help provide a source of capital to Arkansas' disadvantaged business enterprise contractors. The loan program is aimed specifically at those contractors who cannot otherwise finance their working capital needs. Loans are at market rate for a term of no longer than 180 days.

**The Business Loan Initiative for Empowerment (LIFE) Program** --The Business LIFE Program provides a form of loan portfolio insurance combined with a 90% guarantee, so lenders that serve the Pulaski Enterprise Community may make small business loans that carry higher than conventional risks, but that are within the soundness and safety requirements of bank regulators.

## **Arkansas Department of Economic Development (ADED)**

One State Capitol Mall

Little Rock, AR 72201

(501)682-7786

Fax (501)682-1209

Web Address: <http://www.1-800-ARKANSAS.com>

Contact: [gwolfe@1800ARKANSAS.com](mailto:gwolfe@1800ARKANSAS.com)

The Arkansas Department of Economic Development is designed to enhance economic growth in Arkansas by increasing employment opportunities within the state.

**Arkansas Community and Economic Development Program** – Economic Development Set Aside Program

- ☐ Grants for infrastructure development to support actual industrial development
- ☐ Business loans to new or expanding industries

- ☐ Grants for downtown revitalization of public works.

Eligible applicants are cities and counties only. Funding is tied to traditional community enhancement projects or job creation/retention and must be in support of actual projects. Speculative activities are not eligible.

Contact: Greg Wolfe, (501) 682-7786

**Industrial Revenue Bond Program** — The Industrial Revenue Bond Program provides guarantees for local governments that issue bonds for local industrial development. The maximum guarantee is \$4,000,000 with a term of 10 to 15 years.

Contact: Greg Wolfe, (501) 682-7786

## **Arkansas Electric Cooperative Corporation**

8000 Scott Hamilton Drive

P.O. Box 9469

Little Rock, AR 72219

(501) 570-2200

Fax (501) 570-2205

Web Address: [WWW.AECC.COM](http://WWW.AECC.COM)

Contact: Kirkley A. Thomas, Manager of Economic Development

Email: [KTHOMAS@AECC](mailto:KTHOMAS@AECC)

The REA Loans and Grants Program was created to promote rural economic development and job creation projects.

### **SERVICES**

Loans are available through your local rural electric cooperative for enterprises within their territory.

### **SPECIFICS**

Maximum loan size is \$400,000 and minimum loan size is \$10,000. Loans can be for start-up or expansion and from short-term to long-term. Loan projects can include feasibility studies, incubator projects, start-up costs and other reasonable expenses.

## **Arkansas Enterprise Group (AEG)**

605 Main Street, Suite 203

Arkadelphia, Arkansas 71923

(870) 246-9739

Fax (870) 246-2182

Contact: Deborah Slayton

Email: [dslayton@ehbt.com](mailto:dslayton@ehbt.com)

The purpose of the Arkansas Enterprise Group is to stimulate economic development in southern and eastern Arkansas by creating and sustaining jobs and business opportunities.

### **SERVICES**

- ☐ Financing and technical assistance, primarily for manufacturers.

### **SPECIFICS**

- ☐ AEG offers financing for equipment, working capital, plant expansions or acquisitions, through equipment leases, long or short-term loans, lines of credit and joint ventures for specific orders. AEG works mainly with existing business but will consider a start-up with a convincing business plan. AEG specializes in manufacturers but will finance retail businesses in cooperation with local banks. Financing can be provided through AEG alone or in cooperative financing arrangements with banks and/or with other development lenders. AEG also offers technical assistance through management consulting and bookkeeping services to existing businesses.

## **Arkansas Science & Technology Authority**

100 Main Street, Suite 450

Little Rock, AR 72201

(501) 324-9006 phone

(501) 324-9012 fax

web address: <http://asta.state.ar.us>

Contact: Mr. Leslie G. Lane III, Vice President Finance

E-mail: [les.lane@mail.state.ar.us](mailto:les.lane@mail.state.ar.us)

The Arkansas Science & Technology Authority (Authority) is a state agency that promotes science and technology in both the public and private sectors by supporting scientific research and job-creating technology development. The Authority works to integrate science and technology into the Arkansas' economic development and education plans.

**Applied Research Grant Program** – Companies in need of research and development can approach an Arkansas college or university to have this work completed on a cost-sharing basis by means of the Applied Grant Research Program. Contact: Dr. Herbert Monoson, Vice President Research, [herb.monoson@mail.state.ar.us](mailto:herb.monoson@mail.state.ar.us).

**Technology Development Program** – This program assists in the development and commercialization of new technology-based products and processes through innovative technology development projects. The Authority invests up to \$50,000, with investment terms negotiated on a case by case basis at a 5 % maximum royalty on net sales for a period of no more than 10 years. Qualified applicants for the Technology Development Program are: 1) researchers at Arkansas colleges or universities, 2) researchers at federal laboratories in Arkansas, 3) Arkansas-based small businesses, 4) inventors in Arkansas. Contact: Leslie G. Lane III, Vice President Finance, [les.lane@mail.state.ar.us](mailto:les.lane@mail.state.ar.us)

**Seed Capital Investment Program** – This program invests in technology-based Arkansas companies that utilize new products or processes in their business. The Seed Capital Investment Program is not designed to fund entire projects but instead serves to provide the initial working capital portion of the financing package. The program seeks a 3:1 leverage on funds obtained from other sources. This program explores innovative methods of repayment so that other sources of funds can secure more favorable collateral positions. Contact: Mr. Leslie G. Lane III, Vice President Finance, [les.lane@mail.state.ar.us](mailto:les.lane@mail.state.ar.us)

**Technology Transfer Assistance Grant** – This program provides limited financial support for the transfer and deployment of innovative technology solutions to technology-based, industry-driven problems, issues, or concerns. The total maximum funding from the Authority per project is \$3,750. The Authority provides the first \$2,500 of the project's costs, and the remainder is cost-shared equally between the Authority and the enterprise being assisted. Contact: Leslie G. Lane III, Vice President Finance, [les.lane@mail.state.ar.us](mailto:les.lane@mail.state.ar.us).

**Small Business Innovative Research Grant Program** – The Authority offers assistance in obtaining Small Business Innovative Research Grants for research and development. This federal program, introduced in 1982, ensures that small businesses share in the expenditure of federal research dollars. Contact: Mr. Leslie G. Lane III, Vice President Finance, [les.lane@mail.state.ar.us](mailto:les.lane@mail.state.ar.us).

## **Diamond State Ventures, LP**

225 South Pulaski Street

Little Rock, Arkansas 72201

(501) 374-9247

1-800-216-7237

Fax (501) 374-9425

Web Address: <http://www.arcapital.com>

Contact: C. Sam Walls / Joe Hays

Diamond State Ventures is a venture projected to be in operation in late 1999. Oriented toward early and later stage ventures it will provide both equity and subordinated debt. There is a wide range of types of investment-except for retail companies.

Funding ranges from \$250,000 to \$2,000,000. The fund will invest in Arkansas and the surrounding States. Contact is made through the Arkansas Capital Corporation offices.

#### **SERVICES**

- ☐ Purchase equity position
- ☐ Subordinated debt financing

#### **SPECIFICS**

- ☐ Funding ranges from \$250,000 to \$2,000,000
- ☐ No funding for retail businesses

### **Economic Development Districts/Planning and Development Districts**

#### **Central Contact:**

J. Sam Spearman, Economic Development Representative  
 Economic Development Administration  
 Room 2509 Federal Building  
 700 W. Capitol  
 Little Rock, AR 72201  
 (501) 324-5637  
 (501) 324-5638 Fax

#### **Web Address:**

<http://www.aiea.ualr.edu/EDA/default.html>

<http://www.aiea.ualr.edu/research/pdd/default.html>

(contains listings for each of the districts in Arkansas)

The districts were created to promote orderly, efficient growth, to generate support and encourage effective economic and industrial development programs statewide. They are structured as private, non-profit organizations whose Boards of Directors are 51 percent locally elected officials. While the districts must operate within the guidelines established for federal and state programs administration, they can be very flexible in the types of services they are able to provide by tailoring assistance to the specific needs of each region.

#### **Typical Services Provided by Economic/Planning and Development Districts**

- ☐ Loan packaging (SBA, CDC, ADFA, ACC, EDA)
- ☐ Business plan preparation assistance
- ☐ Economic/community planning
- ☐ Employee training
- ☐ Grant application assistance general business counseling
- ☐ Government procurement assistance
- ☐ Export/import information
- ☐ Industrial recruiting
- ☐ Transportation planning
- ☐ Revolving loan fund

#### **Central Arkansas Planning and Development District, Inc.**

115 Jefferson Street

P.O. Box 300

Lonoke, AR 72086

(501) 676-2721

Fax (501) 676-5020

Contact: Rodney Larsen, Executive Director

Counties served: Faulkner, Lonoke, Monroe, Prairie, Pulaski, and Saline

### **East Arkansas Planning and Development District**

P.O. Box 1403  
 2905 King Street  
 Jonesboro, AR 72403  
 (870) 932-3957  
 (870) 932-0135 Fax  
 Contact Person: Linda Gibson, [lwgibson@eapdd.com](mailto:lwgibson@eapdd.com)  
 Web Site Address: <http://www.eapdd.com>  
 Richard Spelic, Executive Director, [rspelic@eapdd.com](mailto:rspelic@eapdd.com)

Counties served: Clay, Cross, Craighead, Crittenden, Green, Lawrence, Lee, Mississippi, Phillips, Poinsett, Randolph, St. Francis.

EAPDD provides cooperative staff services in community planning; infrastructure project development, packaging, and management; business financing assistance; solid waste planning, educational services, and program management services; and community beautification design services.

One of the primary goals of EAPDD is to enhance to job creation by private sector businesses in the 12-county region. In order to contribute to this goal, the District provides limited technical and financial assistance to individuals and companies for the purpose of starting or expanding businesses.

Technical assistance involves counseling of individuals and companies regarding financing constraints and opportunities within the region. In addition, the District administers two revolving loan programs; one has been capitalized by the Economic Development Administration, U.S. Department of Commerce, the second by the Department of Agriculture, Rural Development Administration.

Both loan programs are designed for financing new business expansion opportunities, which will result in the creation of new jobs. Eligible activities for investments are generally the same for both programs, ranging from retail to manufacturing to a broad spectrum of service industries. The two loan programs can be used in combination to jointly fund an eligible project, up to a maximum combined loan of \$350,000. All loan applications are reviewed by a District Loan Review Committee, which has the final decision-making authority.

Because both programs require the participation of other lenders, District staff frequently works with banks in the region, as well as with other public lending programs. Chief among these is the Arkansas Capital Corporation (ACC), a state funded development bank headquartered in Little Rock, which provides development capital for business and industry throughout the state. ACC maintains a field office in Jonesboro, located in the EAPDD offices. ACC works closely with District staff to seek out worthwhile business development opportunities. In addition, an ACC staff member sits on the District's Loan Review Committee.

### **Northwest Arkansas Economic Development District**

NWAEDD Plaza  
 818 Highway 62/65/412 North  
 P.O. Box 190  
 Harrison, AR 72602-0190  
 (870) 741-5404  
 (870) 741-1905 Fax  
 Contact: Mike Norton, Executive Director  
 Bob Penquite, Business Consultant

The Revolving Loan Fund of the Northwest Arkansas Economic Development District was created through a grant from the U.S. Department of Commerce, Economic Development Administration, for the purpose of assisting in the development of the economy of Baxter, Benton, Boone, Carroll, Madison, Marion, Newton, Searcy and Washington counties in Northwest Arkansas. Because of the nature of federal funding, there are certain requirements that must be met to secure loan-funding assistance under this program. The following briefly sets forth those requirements.

**JOB CREATION:** For every ten thousand dollars (\$10,000) of funding from the Revolving Loan Fund (RLF), one job must be created. Such creation usually takes the form of a new job. However, under certain circumstances, the retention of an existing job may qualify for this requirement.

**CAPITAL FORMATION:** The Revolving Loan Fund (RLF) is designed to be a financing source which fills the gap in financing that is not available in existing local financial markets. The fund is also designed to be gap financing which attracts capital investment from a minimum of fifty (50) percent participation from local financial institutions or other investors. Current regulation allows the private sector participation to take the form of Act 9 Industrial Revenue Bonds. Sufficient equity is also recommended to provide a minimum of two private dollars to one dollar from the fund.

**TYPES OF ACTIVITIES:** The fund is designed to assist small business development, including expansion and start-up of locally owned businesses. Such loans may be used to finance the acquisition of real estate, buildings, equipment, inventory, accounts receivable or working capital. Special emphasis will be placed on those activities that create the highest value added to the economy. As such, those projects which expand industrial or manufacturing capacity, encourage the formation of new technologies, growth industries and/or high technology firms will receive higher ranking for our limited funds. In addition, emphasis will be placed on the development of businesses owned and operated by minorities, women, and members of other economically disadvantaged groups.

A borrower is eligible for RLF financing only when credit is not otherwise available on terms and conditions which would permit completion and/or the successful operation or accomplishment of the project activities to be financed.

**PROHIBITIONS:** The RLF is specifically, by law, precluded from providing assistance which relocates jobs from one labor area to another. The Fund may not make loans that would create a potential conflict-of-interest between the potential borrower and the lender. Loans from refinancing of existing debt, or the speculation or investment in stocks, interest bearing securities, or real property are prohibited. Activities financed under the Fund are prohibited from discrimination and must meet the requirements of civil rights, access for the handicapped, protection of the environment, and certain other federal mandates.

**TERMS AND RATES:** The RLF may make loans with terms of two (2) to ten (10) years. Because new loans are made from the collected proceeds of previous loans, requests for funding with a shorter term will receive priority. The rate of interest charged is fixed for the term of the loan and may range from a minimum of four (4) percent less than the New York Prime to the Maximum allowed by law. The normal rate charged is four (4) percent above the federal discount rate.

**COLLATERAL:** The Fund normally provides assistance in conjunction with local financial institutions and requires a shared first-lien security position with the private lender in the acquired assets. In addition, the Fund may require personal guarantees, the pledging of additional security, or such other collateral as required to adequately protect the investment of federal funds.

**OTHER REQUIREMENTS:** The operation of the Revolving Loan Fund has certain other requirements that are set forth in the loan application and subsequent loan agreements. Details of such requirements will be provided in the normal progression of loan processing.

#### **Southeast Economic Development District**

721 Walnut Street  
Post Office Box 6806  
Pine Bluff AR 71611  
Phone: 870-536-1971  
Fax: 870-536-7718  
Contact: Mr. Glenn Bell, Executive Director

Counties served: Arkansas, Ashley, Bradley, Chicot, Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln

#### **Southwest Arkansas Planning and Development District**

P.O. Box 767  
600 Bessie Street  
Magnolia, AR 71754-0767  
Phone: 870-234-4030  
Fax: 870-234-0135  
Email: [sandy@swapda.state.ar.us](mailto:sandy@swapda.state.ar.us)  
Contact: Terry Sherwood, Executive Director  
David Shewmaker, Business Consultant

Counties served: Calhoun, Columbia, Dallas, Hempstead, Howard, Lafayette, Little River, Miller, Nevada, Ouachita, Sevier, and Union.

**West Central Arkansas Planning and Development District**

1820 Higdon Ferry Road, Suite "D"

P.O. Box 21100

Hot Springs, AR 71903

Phone: (501) 525-7577

Fax: (501) 525-7677

Contact: Pat Heusel, Executive Director

Email: [pheusel@hsnp.com](mailto:pheusel@hsnp.com)

Counties served: Clark, Conway, Garland, Hot Spring, Johnson, Montgomery, Perry, Pike, Pope, and Yell.

**Western Arkansas Planning and Development District, Inc.**

P.O. Box 2067

Fort Smith, AR 72901

(501) 785-2651

(501) 785-1964 Fax

Contact: Jon Gunthry, Executive Director

Counties served: Crawford, Franklin, Logan, Polk, Scott, and Sebastian

**White River Planning and Development District, Inc.**

1652 White Drive

P.O. Box 2396

Batesville, AR 2503

(870) 793-5233

(870) 793-4035 Fax

Web Address: <http://www.ceinnet/wrpdd>

E-Mail: [wrpdd@mail.cei.net](mailto:wrpdd@mail.cei.net)

Contacts: Van C. Thomas, Executive Director ([vthomas@wrpdd.org](mailto:vthomas@wrpdd.org))

Jan Smith, Director of Planning ([jsmith@wrpdd.org](mailto:jsmith@wrpdd.org))

Ben Earls, Director of Business Development ([bearls@wrpdd.org](mailto:bearls@wrpdd.org))

Counties served: Cleburne, Fulton, Independence, Izaard, Jackson, Sharp, Stone, Van Buren, White, and Woodruff

The White River Planning and Development District, Inc. manages a Revolving Loan Fund Program and a Micro-Loan Fund Program; and serves as an Intermediary Relending Program operator. Direct loans, guaranteed loans, and participation loans are available to businesses and community development activities within the region. Eligible activities include working capital, machinery and equipment, and land and buildings. Technical assistance is also available through the Development District

**Enterprise Corporation of the Delta**

(Pine Bluff)

P.O. Box 8845

Pine Bluff, AR 71611-8845

(870) 535-8774

Fax: (870) 535-8776

Contact: Larry Breashears

**(Jonesboro)**

P.O. Box 1150

Jonesboro, AR 72403

(870) 972-8417

Fax: (870) 972-8427

Contact: Jackson Valentine

**(Jackson, MS)**

308 East Pearl Street

Jackson, MS 39201

(601) 944-1100

Fax: (601) 944-0808

Contact: Alan Branson

The Enterprise Corporation of the Delta is a wholly-owned subsidiary of the Enterprise Corporation of the Mid South. It was incorporated in 1994 as a not-for-profit development financial corporation serving the delta region of Arkansas, Louisiana, and Mississippi. The goal of the Enterprise Corporation of the Delta is to improve the regional economy through investment, jobs and growth. Services include financing, management assistance and market development designed to support business creation and expansion.

**Good Faith Fund*****A Program of Arkansas Enterprise Group***

2304 West 29th Street

Pine Bluff, AR 71603

(870) 535-6233

Fax (870) 535-0741

Contact: [btaylor@ehbt.com](mailto:btaylor@ehbt.com).

Good Faith Fund (GFF) is a non-profit revolving loan fund and training organization. GFF is based in Pine Bluff and serves southern and eastern Arkansas. Since 1988, GFF has made over 250 loans totaling more than two million dollars and provided training and technical assistance for over 700 emerging entrepreneurs. GFF's relationship with its clients and members is typically long-term. GFF responds to each client's need for training, financing, and technical assistance as their needs evolve.

**Direct Loan Program**

GFF makes loans to qualified small business in our development region. Loans for business expansion, equipment, and working capital are made with terms to fit the use of the funds and the cash flow of the company. We specialize in long term, fixed rate loans.

Working in partnership with financial institutions, other economic development organizations, accountants, and attorneys, GFF can:

- ☐ participate in loans;
- ☐ provide subordinated financing;
- ☐ provide management consulting/technical assistance.

GFF provides the following types of financial assistance up to \$200,000 to fit the unique needs of a specific business.

- ☐ **Medium to long term loans** at fixed rates for working capital, equipment, or the purchase of real estate. Terms vary from 6 to 15 years. These loans are secured at a minimum by collateral equal to the amount of the loan.

- ☐ **Lines of Credit, Factoring, and Purchase Order Financing** to address short-term needs of small businesses that are not met by conventional financing. AEG helps meet those needs through short term financing of receivables, purchase orders, and factoring of specific orders. These products are secured by a minimum of a first lien on receivables and inventory.
- ☐ **Equipment Leases** for new or used production equipment with flexible terms depending on the expected useful life of the equipment.
- ☐ **First Step Fast Trac Business Skills Training:** During a nine-week business training program, students work on a feasibility study for their proposed businesses. At the end of this interactive training, they have completed a plan that can be expanded. One instructor and two business counselors staff each course. Business counselors provide the opportunity for interaction and small group work. They evaluate completed sections of the feasibility studies at regular intervals and meet with assigned participants in small groups and one-on-one. Each counselor brings unique qualifications to the instruction team.

### **FORGE, Inc. (Financing Ozarks Rural Growth & Development)**

P.O. Box 1138  
 Huntsville, Arkansas 72740-1138  
 (501) 738-1585  
 Fax (501) 738-6288  
 Contact: Charlie Stockton, Loan Program Manager  
 E-mail: [forgeinc@juno.com](mailto:forgeinc@juno.com)

FORGE is a non-profit community development loan fund which uses members' investments to make loans to farmers, small business owners and low-income individuals. The Internal Revenue Service has granted FORGE tax-exempt status as a charitable organization under Internal Revenue Code Section 501(c)(3). FORGE loan programs include farm production, small business start-ups/expansions, business lines of credit, credit establishment for loans to non-profit organizations and SBA Microloans. Loans which fit FORGE's environmental criteria may qualify for a reduced rate of interest. FORGE's service area is the Ozark's bio-region of Arkansas, Missouri, and Oklahoma.

### **GE Capital**

#### **(Little Rock)**

Dave Rambo, Senior Account Manager  
 900 South Shackleford Road, Suite #300  
 Little Rock, AR 72211  
 (501) 978-1190  
 Fax (501) 978-1191  
 E-mail: [dave.rambo@gecapital.com](mailto:dave.rambo@gecapital.com)

#### **(Van Buren)**

Larry Owen, Account Executive  
 3234 North Rudy Road  
 Van Buren, AR 72956  
 (501) 410-1189  
 Fax (501) 410-1187

**(Memphis, TN)**

Diane Hill, Business Development Associate  
 Edwin Essary, Vice President, Origination  
 1760 Moriah Woods Blvd.  
 Suite 9  
 Memphis, TN 38117  
 (901) 762-4324  
 Fax (901) 762-4302  
 E-mail: [cccef.dhill@capital.ge.com](mailto:cccef.dhill@capital.ge.com)  
[edwin.essary@gecapital.com](mailto:edwin.essary@gecapital.com)

GE Capital has 28 business divisions and is a subsidiary of General Electric. The different divisions specialize in a variety of financial products for small businesses including lines of credit, commercial real estate mortgages and equipment loans and leases.

**USDA Rural Development*****Rural Business-Cooperative Programs***

700 West Capitol, Room 3416  
 Little Rock, Arkansas 72201  
 (501) 324-6284  
 Fax (501) 324-7351  
 Contact: Shirley A. Tucker, Program Director  
 Email: [tucker@rurdev.usda.gov](mailto:tucker@rurdev.usda.gov)

The Business and Industry (B and I) Guaranteed Loan Program guarantees loans by eligible local lenders to businesses to benefit rural areas. The primary purpose of this program is to create and maintain employment and improve the economic and environmental climate in rural communities. This is achieved by expanding the existing private credit structure capability to make and service quality loans to provide lasting community benefits. Administered by the Rural Business-Cooperative Service (RBS) of USDA Rural Development, the program typically guarantees losses of up to 80 percent of the original loan amount. Inability to obtain other credit is not a requirement.

**SERVICES**

- ☐ Businesses
- ☐ Loan Guarantees

**INELIGIBLE PURPOSES**

- ☐ Line of credit
- ☐ Agricultural productions which are not part of an integrated business involved in the processing of agricultural products
- ☐ Corporations and businesses not at least 51 percent owned and controlled by U.S. citizens
- ☐ Charitable and educational institutions, religious organizations and affiliated entities, and fraternal organizations
- ☐ Loans to golf courses, gambling establishments, and race tracks

***USDA, Farm Service Agency***

700 West Capitol, Room 3416  
 Little Rock, Arkansas 72201  
 (501) 324-5220  
 Fax (501) 324-5290  
 Contact: Michael L. Dunaway, State Executive Director

**LOAN INFORMATION****Direct Farm Ownership**

- ☐ Maximum amount - \$200,000.
- ☐ Up to 40 years
- ☐ Rates based on Agency borrowing cost
- ☐ Temporary limited resource interest rates are available for those unable to repay at regular rates
- ☐ 5% interest rate if 50% of loan amount provided by other lender

**Use of Proceeds**

- ☐ Purchase land
- ☐ Construct buildings or other improvements
- ☐ Soil and water conservation

**Beginning Farmer Downpayment Farm Ownership**

- ☐ Lesser of 30% purchase price appraised value
- ☐ Term: 10 years
- ☐ Rate: 4%

**Use of Proceeds**

- ☐ Purchase a farm or ranch

**Direct Operating**

- ☐ Maximum loan amount - \$200,000
- ☐ From 1 – 7 years
- ☐ Rates based on Agency borrowing cost
- ☐ Temporary limited resource interest rates are available for those unable to repay at regular rates

**Use of Proceeds**

- ☐ Purchase livestock, poultry, equipment, feed, seed, farm chemicals and supplies
- ☐ Soil and water conservation
- ☐ Refinancing indebtedness with certain limitations

**Direct Emergency**

- ☐ 100% physical loss / 80% actual loss
- ☐ \$500,000 maximum program indebtedness
- ☐ 1 – 7 years for non-real-estate purposes
- ☐ Up to 40 years for physical losses on real estate
- ☐ Interest rate 3.75%

**Use of Proceeds**

- ☐ Restore or replace essential property
- ☐ Pay all or part of production costs associated with the disaster year
- ☐ Pay essential family living expenses
- ☐ Reorganize the farming operation
- ☐ Refinance debts

**Guaranteed Operating**

- ☐ Maximum loan amount \$400,000
- ☐ From 1 – 7 years
- ☐ Rates not to exceed those charged lenders' other farm customers
- ☐ 4% reduction available for those unable to repay at regular rates

**Use of Proceeds**

- ☐ Same as Direct Operating except loan may be used to refinance debts

**Guaranteed Farm Ownership**

- ☐ Maximum loan amount \$300,000
- ☐ Up to 40 years
- ☐ Rates not to exceed those charged lenders' other farm customers

**Use of Proceeds**

- ☐ Same as Direct Farm Ownership except loan may be used to refinance debts

**U.S. Small Business Administration**

2120 Riverfront Drive, Suite 100

Little Rock, Arkansas 72202

(501) 324-5871

Fax (501) 324-5491

Web Address: <http://www.sba.gov>

Contacts: Joe Foglia, District Director

Jim Coffey, Public Information Officer, [james.coffey@sba.gov](mailto:james.coffey@sba.gov)

The U.S. Small Business Administration (SBA) is a federal government agency, which provides loan guarantees to assist in the formation and expansion of small businesses. SBA guarantees reduce the risk to public sector lenders, which encourages them to make commercial loans they otherwise could not make on reasonable terms. Businesses must be for-profit and small by SBA standards. Credit factors evaluated include repayment ability, management ability, equity and collateral.

The SBA has the following kinds of loans: Short term, Long Term, Export Working Capital, Fixed Asset, Revolving Lines, Seasonal Line.

## APPENDIX A: OTHER SOURCES OF FINANCE

In addition to banks and the sources listed in the directory, individuals seeking financing for their businesses have often used these sources:

**Personal Assets:** Lenders seek a personal commitment from the individual before lending additional funds for a new enterprise.

**Family and Friends:** Those closest to the individual know the individual the best and are often in a position to invest in business enterprises. It is recommended that borrowers prepare a business plan, document their entire needs and seek legal and financial advice.

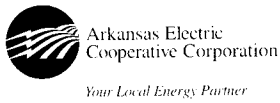
**Angels:** Wealthy individuals invest in new businesses as often as 25,000 times a year. These “Angels” usually favor technologies or markets they know well and have poured more than \$30 billion into such ventures in recent years.

**Retired or Semiretired Executives:** Executives who have time and money are often glad to invest part of their severance pay and expertise in promising small businesses.

**Suppliers:** Because they benefit when their clients succeed, suppliers may agree to business arrangements that “finance” their customers’ operations. Asking suppliers to extend credit, buy accounts receivable, sell inventory by consignment, borrow equipment and renegotiate long-term equipment leases are all possibilities.

**Credit Unions:** Of the 96 credit unions in Arkansas, a number of them make loans that start small businesses, although they are probably not called business loans. These are small loans, made to members of the credit union.

**Bank Community Development Corporations:** Bank CDC’s are legal entities that allow banks to make equity investments into development areas and projects that are not allowed under conventional banking regulations. As such, they often are useful vehicles for financing small businesses in their communities. Banks interested in forming a CDC may contact Don Clark, Deputy Bank Commissioner,, Arkansas Bank Department, 323 Center Street, Suite 500, Little Rock, AR 72201-2613 (501) 324-9019.



STATE OF ARKANSAS  
OFFICE OF THE LIEUTENANT GOVERNOR  
WINTHROP T. ROCKEFELLER